(c) whether law enforcement agencies have recently busted a case involving fake currency notes amounting to Rs. 30 lakh in Delhi; and

(d) if so, the details thereof and what steps Government have taken to curb the circulation of fake currency notes in the market?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH) (a) and (b) Information on Fake Indian Currency Notes (FICN), recovered orseized, is compiled by National Crime Records Bureau (NCRB) according to which fake notes of Rs. 500 denomination amounting to Rs. 4.05 crores were recovered/seized in 2001.

(c) and (d) Yes, Sir. Delhi Police busted a racket and recovered counterfeit Indian currency notes of Rs. 500 denomination amount to Rs. 30 lakhs. An FIR has been registered in this context on 22-09-2002.

To curb circulation of fake currency notes in the country, the Govt, has taken a number of steps which, *inter-alia,* include setting up special unit in the Central Bureau of Investigation for exclusive investigation of counterfeit currency notes, scaling up of vigilance by the Border Security Force/Custom Authorities to prevent smuggling of fake currency notes into the country, incorporation of special security features in high denomination notes and dissemination of information on security features through print media and Doordarshan for the benefit of public. A High Level Committee (HLC) of experts, with representations from Ministry of Finance, Ministry of Home Affairs, National Security Council Sectt., Reserve Bank of India and the Bank Note Printing Presses, constituted to examine the whole gamut of problems caused by circulation of fake currency has submitted its report. Based on the recommendations of the HLC, some additional security features have been approved for incorporation in Indian Bank (states which would make counterfeiting extremely difficult.

RBI concern over Government finances

*117. DR.TSUBBARAMIREDDY:

SHRI K.NATWAR SINGH:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state;

(a) whether the Reserve Bank of India has voiced serious concern over the deteriorating Government finances in general and State Government finances in particular;

(b) if so, whether the Bank has noted that the combined debt has touched a high of 69.9 per cent GDP in 2001 -2002 from 61.7 per cent in 1990-1991 and on this, the States' debt-to-GDP ratio, which was at a low of 19.4 per cent in 1990-1991, has risen sharply to 25.6 per cent in 2001 -2002;

(c) if so, what is Government's reaction thereto; and

(d) what steps are being taken in this regard?

THE MINISTER OF FINANCE AND COIVIPANY AFFAIRS (SHRI JASWANT SINGH) (a) The Reserve Bank of India, in its Annual Report 2001 - 2002, has referred to the finances o* the Central Government coming under pressure from a shortfall in revenue collections, reflecting continuing sluggishness in corporate activity and import demand. The Report has also mentioned that the continued imbalance between revenue receipts and expenditures of States is overshadowing the efforts towards fiscal consolidation.

(b) Yes, Sir.

(c) and (d) The Central Government has been following the strategy of fiscal rectitude as outlined in the Union Budget 2002-2003, which aims at higher tax revenues, improved non-tax receipts and moderation in the growth of non-plan expenditure.

The Central Government has also been working jointly with the State Governments to meet the challenge of fiscal management at the State level. The Government of India has also suggested a debt swap scheme to enable the States to retire high cost debt to facilitate the process of fiscal consolidation.

Reduction of air fares by lA/AI

*118. SHRI AIMADUDDIN AHMAD KHAN (DURRU): Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether recently there ensued a cut throat competition of offering reduced fares for air journeys on various popular routes:

(b) if so, by what percentage did the Indian Airlines and Air India under-cut the fares, and what were the comparative figures of fare